

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Beverly Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 27, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on December 31 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.35% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Beverly Retirement System
January 1, 2018 Actuarial Valuation

Total Cost 4.45% increasing until FY32 with a final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost Increase</u>
2019	2,797,442	150,000	7,616,738	393,044	10,046	10,967,270	95,043,354	
2020	2,923,327	150,000	8,371,940		10,046	11,455,314	93,714,484	4.45%
2021	3,054,877	150,000	8,760,198			11,965,075	91,912,475	4.45%
2022	3,192,346	150,000	9,155,174			12,497,521	89,585,906	4.45%
2023	3,336,002	150,000	9,567,659			13,053,660	86,678,843	4.45%
2024	3,486,122	150,000	9,998,426			13,634,548	83,130,468	4.45%
2025	3,642,997	150,000	10,448,288			14,241,286	78,874,689	4.45%
2026	3,806,932	150,000	10,918,091			14,875,023	73,839,716	4.45%
2027	3,978,244	150,000	11,408,717			15,536,962	67,947,604	4.45%
2028	4,157,265	150,000	11,921,091			16,228,356	61,113,766	4.45%
2029	4,344,342	150,000	12,456,176			16,950,518	53,246,436	4.45%
2030	4,539,838	150,000	13,014,979			17,704,816	44,246,109	4.45%
2031	4,744,130	150,000	13,598,550			18,492,681	34,004,919	4.45%
2032	4,957,616	150,000	14,207,989			19,315,605	22,405,984	4.45%
2033	5,180,709	150,000	9,653,156			14,983,865	9,322,691	-22.43%
2034	5,413,841	150,000				5,563,841	0	-62.87%

Appropriation payments assumed to be made December 31 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$450,000.

FY19 amount maintained at level of current schedule.